

FISCAL NOTE

Bill #: SB0204

Title: Charter school enabling legislation

Primary

Sponsor: Tom Keating

Status: As introduced/revised

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$33,840	\$33,840
Net Impact on General Fund Balance:	(\$33,840)	(\$33,840)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
		X Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. SB 204 will have no impact on state aid payments to schools in the 2001 biennium.
2. SB 204 is effective on July 1, 1999. The board of charter schools will establish standards and an application process in its first year of operations (FY 2000).
3. The trustees in the child's district of residence must approve the attendance agreement with the charter school within 10 days of the receipt of the agreement by the resident district. The attendance agreement sets forth the financial obligations of the district of residence for tuition. The tuition amount is 90% of the average annual cost per student of the child's district of residence.
4. There will be 10-15 applications per year for charter schools.
5. Current professional staff of the Board of Public Education will provide assistance to the Board of Charter Schools.
6. It will not be necessary for board staff to visit the charter school site in order to act on applications.
7. Charter school reviews will not begin until the 5th year.
8. Costs for the board of charter schools
 - 1 FTE @ Grade 7\$19,840

(continued)

4 meetings per year @ \$2,000.00 per meeting.....\$8,000
 Administrative Support @ \$6,000.00 annually.....\$6,000

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
FTE	1.00	1.00

Expenditures:

Personal Services	\$19,840	\$19,840
Operating Expenses	<u>\$14,000</u>	<u>\$14,000</u>
TOTAL	\$33,840	\$33,840

Funding:

General Fund (01)	\$33,840	\$33,840
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$33,840)	(\$33,840)
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TECHNICAL NOTES:

1. The tuition calculation in Section 10 is confusing. Subsection (3) states that the tuition “is 90% of the average annual cost per student within the BASE budget and maximum general fund budget of the child’s district of residence. This calculation for tuition purposes is determined by totaling all of the expenditures for all of the district budgeted funds for the preceding school fiscal year and dividing the amount by the October 1 enrollment in the preceding school fiscal year.” Given that tuition rates are calculated as 90% of the previous year’s expenditures for all budgeted funds, it is not clear what the phrase “within the BASE budget and maximum general fund budget” means.
2. Under current law, tuition is paid by the district-of-residence in the year following the student’s attendance. It appears (Section 10) that the sponsor intends for the charter school to be paid in the same year that the student is in attendance. Changes will be needed in the tuition statutes to change the tuition payment to charter schools to a current year payment. The district of residence will need to know its total obligation for the year prior to setting its mill levy in August.
3. School boards typically meet on a monthly basis. It may be difficult for a district to approve tuition agreements within 10 days of receipt without a special meeting of the trustees.